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SUBJECT: EGYPT'S ECONOMY: December 7 PRESS ROUND-UP

11. (U) The following are notable economic news stories that appeared over the past week in the Egyptian press:

Stock Market Falls, Then Recovers

12. (U) The Egyptian stock market plummeted 8%, the third largest single day loss in the market's history, on November 30 following the news of the Dubai debt crisis. However, the market quickly recovered and closed the week on December 3 fractionally higher. Many Egyptian analysts agreed that the Dubai crisis would not have a long-term negative impact on the Egyptian economy. Samir Radwan, Managing Director of the Cairo-based Economic Research Forum, expressed his doubt that the crisis would negatively impact Egyptian labor in the Gulf, and suggested that Egypt's banking system would be safe from the Dubai fallout (Al Ahram, Al Mal, Al Masry Al Youm, 11/30/2009, 12/1/2009, 12/3/09).

Egypt Agrees to Tariff Pact at WTO Conference

13. (U) Minister of Trade and Industry Rachid Mohamed Rachid attended the (WTO) Ministerial Conference in Geneva, where he was chosen vice president due to his role as a coordinator for the African countries. On the sidelines of the conference, Rachid agreed to a deal with twenty-one other developing countries, including India and Brazil, to cut tariffs on trade between them. Rachid gave a speech to the conference calling for trade liberalization, rather than self-sufficiency, to ensure food security. Rachid also called for the Doha Round to be concluded by the end of 2010 in order to boost the competitiveness of developing markets (Al Ahram, Al Shorouk, 12/1/2009, 12/2/2009, 12/3/2009).

New Agreement Signed between Agadir Members

14. (U) A new agreement was signed between the Agadir members (Egypt, Morocco, Tunisia and Jordan) on December 1, 2009. The agreement calls for mutual recognition of exports standards between the member countries, in order to enhance and facilitate the trade relations between the countries (Al Shorouk, 12/2/2009).

Large Annual Increase in Car Sales

15. (U) Khaled Al Huseiny, of the Automotive Marketing Information Council, announced that overall car sales were 6.3 percent higher in October 2009, compared to October 2008 sales data. Sales of passenger cars led the way with a 25 percent annual increase, which analysts attributed to the significant fall in car sales during the onset of the global financial crisis last year (Al Mal, 12/2/09).

Egyptian Investment Corporation for Africa

16. (U) Mona Amer, Assistant Minister of Foreign Affairs, said that the first Egyptian corporation for investment in Africa will be established in the next few weeks. According to Amer, the corporation will focus on making investments in Nile Basin countries, beginning with Ethiopia (Al Ahram, Al Masry Al Youm, 12/3/09).

TUELLER